

## Message Text

CONFIDENTIAL

PAGE 01 LONDON 09937 01 OF 02 161447Z  
ACTION L-03

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 AID-05 CIAE-00  
COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06  
TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01  
OMB-01 NSC-05 SS-15 STR-04 CEA-01 H-01 FTC-01  
JUSE-00 SEC-01 /107 W  
-----161636Z 093191 /45

P R 161442Z JUN 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC PRIORITY 5116  
INFO AMEMBASSY PARIS  
AMEMBASSY BONN  
AMEMBASSY OTTAWA  
AMEMBASSY TOKYO  
AMEMBASSY ROME  
AMEMBASSY BRUSSELS  
AMEMBASSY THE HAGUE  
AMEMBASSY CANBERRA  
AMEMBASSY OSLO  
AMEMBASSY BERN  
USMISSION USUN NEW YORK  
USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 09937

PARIS ALSO FOR USOECD  
BRUSSELS ALSO FOR USEEC

E.O.11652: GDS  
TAGS: EGEN, EINV, UN, ECOSOC, UK  
SUBJECT: INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS

REF: (A) STATE 124539; (B) LONDON 9170; (C) STATE 134325;  
(D) STATE 136934

1. DURING DISCUSSION OF PROPOSED TEXT ON ILLICIT PAYMENTS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 09937 01 OF 02 161447Z

FOR INCLUSION IN OECD MINISTERIAL COMMUNIQUE (REPORTED  
SEPTEL), DEPARTMENT OF TRADE ASSISTANT SECRETARY RAY MIN-  
GAY PROVIDED US WITH THE RESPONSE OF HIS DEPARTMENT --  
WHICH IS THE ONE PRIMARILY RESPONSIBLE -- TO E/C MIN'S  
JUNE 1 DEMARCHE TO FOREIGN OFFICE (PARLIAMENTARY UNDER  
SECRETARY LUARD). HE REGRETTEED THAT HE COULD ONLY GIVE  
US AN "INFORMAL" -- BUT CONSIDERED -- RESPONSE; HE ADDED

CONFIDENTIALLY THAT THIS WAS DUE TO MINISTERIAL CONCERN OVER RAMIFICATIONS OF ALLEGATIONS OF ILLICIT PAYMENTS BY BRITISH LEYLAND.

2. MINGAY BEGAN BY REAFFIRMING LUARD'S EXPRESSION OF UK SUPPORT FOR INTERNATIONAL ACTION TO REACH AN AGREEMENT ON ILLICIT PAYMENTS. HOWEVER, HE STRESSED THAT WHILE ALL LEVELS OF THE BRITISH GOVERNMENT ARE FULLY AWARE OF THE SUMMIT COMMITMENT, BRITISH UNDERSTANDING OF THAT COMMITMENT MAY BE DIFFERENT FROM OURS -- IT IS BRITISH VIEW THAT THE COMMUNIQUE LANGUAGE DOES NOT COMMIT THE UK TO AN AGREEMENT WHICH INCLUDES PUBLIC DISCLOSURE AND CRIMINALIZATION CLAUSES.

3. THIS POSITION AFFECTS UK RESPONSES TO REQUESTS CONTAINED PARA 3(C) REFTEL (A). MINGAY ASSURED US OF SUPPORT FOR EXPANDED WORKING GROUP WITH MANDATE TO DRAFT CONVENTION AND OF GENERAL SUPPORT FOR OECD MINISTERIAL COMMUNIQUE ENDORSING UN WORK TOWARD AGREEMENT ON ILLICIT PAYMENTS, PERHAPS STRENGTHENED BY REFERENCE TO ROLE OF IMPORTING COUNTRIES. HOWEVER, THERE IS FEELING WITHIN UKG THAT COMMITMENT TO CONCLUDE AN AGREEMENT IN 1978 IS OVERLY AMBITIOUS IF IT HAS TO INCLUDE PUBLIC DISCLOSURE AND CRIMINALIZATION CLAUSES.

4. MINGAY SAID DOT HAS DEFINITE IMPRESSION THAT UK FIRMS ARE ALREADY LOSING SUBSTANTIAL EXPORTS BECAUSE THEY ARE LESS WILLING THAN SOME OF THEIR COMPETITORS TO MEET IMPORTING COUNTRY DEMANDS. DOT IS THUS APPREHENSIVE ABOUT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 09937 01 OF 02 161447Z

ENTERING INTO OBLIGATIONS WHICH ARE NOT FULLY PROCA-  
TETED BY THE IMPORTING COUNTRIES OR HONORED BY THEIR COM-  
PETITORS. WHILE THEY ARE RELUCTANT TO CLOSE THE DOOR ON  
DISCLOSURE AND ARE PREPARED TO LOOK AT POSSIBLE "HOME

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LONDON 09937 02 OF 02 161502Z  
ACTION L-03

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 AID-05 CIAE-00  
COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06  
TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01  
OMB-01 NSC-05 SS-15 STR-04 CEA-01 H-01 JUSE-00  
FTC-01 SEC-01 /107 W

-----161637Z 093470 /45

P R 161442Z JUN 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC PRIORITY 5117  
INFO AMEMBASSY PARIS  
AMEMBASSY BONN  
AMEMBASSY OTTAWA  
AMEMBASSY TOKYO  
AMEMBASSY ROME  
AMEMBASSY BRUSSELS  
AMEMBASSY THE HAGUE  
AMEMBASSY CANBERRA  
AMEMBASSY OSLO  
AMEMBASSY BERN  
USMISSION USUN NEW YORK  
USMISSION GENEVA

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 09937

COUNTRY" ACTIONS, THEY FEEL A MORE MODEST AGREEMENT MIGHT  
BE MORE REALISTIC. MINGAY SAID HE UNDERSTANDS THE LOGIC  
OF THE U.S. APPROACH BUT IS SKEPTICAL THAT IT WOULD BE  
HONORED OTHER THAN IN THE BREACH.

5. MINGAY ARGUED THAT IN RECOGNIZING NEED FOR ACTION,  
ONE MUST ALSO RECOGNIZE THAT ADHERENCE TO AGREEMENT WILL  
REST ON MORAL SUASION, NOT ECONOMIC SANCTIONS. THUS, AN  
AGREEMENT WHICH STOPS SOMEWHAT SHORT OF FULL PUBLIC DIS-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 09937 02 OF 02 161502Z

CLOSURE AND CRIMINALIZATION IS NOT A WORTHLESS EXERCISE.  
IT WOULD HELP TO CREATE CLIMATE OF MUTUAL SELF-INTEREST  
IN WHICH MORE STRINGENT MEASURES CAN LATER BE TAKEN.  
WHEN WE PUSHED MINGAY, HE SAID THAT IF UK  
RESERVATIONS ON THESE POINTS WERE EXPLICITLY UNDERSTOOD,  
UK WOULD BE WILLING TO MOVE AHEAD ON AGREEMENT AND THAT  
"MAYBE THE OVER AMBITIOUS DATE MIGHT NOT BE SO BAD."

6. COMMENT: IN LIGHT OF FLEXIBILITY OF U.S. POSITION  
DISCUSSED PARAS 2, 3 AND 4 OF REFTTEL (C) AND WHAT WE SEE  
AS GENUINE DESIRE OF UK TO OBTAIN A MEANINGFUL INTER-  
NATIONAL AGREEMENT ON ILLICIT PAYMENTS, WE THINK BASIS

FOR UK SUPPORT OF DIPLOMATIC CONFERENCE IN 1978 EXISTS.  
HOWEVER, ONE MUST NOT OVERLOOK VERY REAL UK CONCERNS THAT  
UK FIRMS NOT BE COMMITTED TO AN AGREEMENT WHICH WILL PUT  
THEM AT A DISADVANTAGE TO THEIR "LESS PRINCIPLED" COMPET-  
ITORS OR ONE WHICH DOES NOT RECOGNIZE NEED FOR FULL PAR-  
TICIPATION BY THE IMPORTING COUNTRIES. MINGAY MAINTAINS  
THAT WHILE POLITICAL WILL TO REACH AGREEMENT ESSENTIAL,  
COMPLEXITY OF EUROPEAN INDUSTRIAL AND COMMERCIAL RELA-  
TIONS PERHAPS DICTATES A SOMEWHAT SLOWER PACE THAN U.S.  
MIGHT WISH.

BREWSTER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BRIBERY, AGREEMENTS, INTERGOVERNMENTAL COOPERATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 16-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON09937  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770215-0417  
**Format:** TEL  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770651/aaaabsfq.tel  
**Line Count:** 182  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 5403077c-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION L  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 124539, 77 LONDON 9170, 77 STATE 134325, 77 STATE 136934  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 17-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2131370  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS  
**TAGS:** EGEN, EINV, UK, UN, ECOSOC  
**To:** STATE USEEC  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/5403077c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009